

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL MEMORANDUM

HB 981 – SB 1767

April 17, 2009

SUMMARY OF AMENDMENT (005797): Deletes section one of the original bill. Increases, from \$100,000 to \$250,000, the limit on the liability of the Tennessee Insurance Guaranty Association (TIGA) on present value of annuity benefits.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Revenue – Not Significant

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures – Not Significant

Assumptions applied to amendment:

- According to the Department of Commerce and Insurance, very few annuities have had a value in excess of \$100,000 and the Association could pay the value of annuities from their existing balance should the need arise.
- As of January 1, 2009, the Association had a positive balance of \$67,232,300 for use to pay these types costs. According to the Department, due to the large positive balance of this account a need to increase fees to insurance companies will not be necessary.
- The Department of Commerce and Insurance does have general oversight of this Association. Any cost to enforce the provisions of this bill can be accommodated within existing resources without an increased appropriation or reduced reversion.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in cursive script, reading "James W. White".

James W. White, Executive Director

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